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SCI02.003 DEC.HELLER

DECLARATION OF LAWRENCE E. HELLER

I, Lawrence E. Heller, hereby declare:

- 1. I am an attorney at law duly licensed to practice before the courts of the State of California. I am a principal in the law firm of Turner, Gerstenfeld, Wilk, Tigerman & Heller. All of the following facts are within my personal knowledge and I am available and competent to personally testify thereto if called upon to do so.
- 2. I was personally involved in the December 1986 settlements which are referred to in the papers filed in connection with the motion to enforce settlement agreement in the case of Church of Scientology v. Armstrong, Case No. C 420 153, L.A.S.C. The settlements concerned well over a dozen plaintiffs and several Church of Scientology entities, as well as other third parties sued as defendants. The settlement negotiations involved in settling those cases took place over several months, culminating in a multi-week session in a hotel in the city of Los Angeles where most of the lawyers (and some of the parties) involved in the litigation met extensively.
- 3. One of the individuals whose cross-complaint was settled during these negotiations was Gerald Armstrong. He had originally been sued by Church of Scientology of California ("CSC"), and that suit was on appeal and was not being settled. Only Armstrong's cross-complaint was involved in the settlement.
- 4. On December 6, 1986, I met with Armstrong and his attorney, Michael Flynn, to obtain signatures on the settlement agreement and related documents. At this meeting, as in any prior negotiations, Armstrong was represented by Mr. Flynn and

was not counseled regarding the settlement by cross-defendants or their attorneys.

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- 5. At the signing of the agreement, I had a videotape done to memorialize what was occurring. I also asked Armstrong specific questions regarding his understanding of the settlement and of the conditions under which he was signing the agreement. The videotape, which is attached hereto as Exhibit 1, is a true Armstrong was relaxed and happy and depiction of what occurred. joked about his unusual signature. He manifested no reservations about the signing whatsoever. He also acknowledged that: 1) his attorney had explained the legal and factual ramifications of the documents to him; 2) he understood what he was signing and had no questions about it; 3) he knew it was a settlement of litigation with all of his attorney's clients involved in similar litigation at the same time; 4) he had read and comprehensively reviewed the documents; and 5) he was not suffering any duress or coercion in connection with signing them.
- 6. During the negotiations there was discussion of non-disclosure provisions on the part of both sides. It was explained to Armstrong's counsel that the terms could not include a non-disclosure provision by the Church parties as to Armstrong. The reason for this provision not being possible was that Armstrong would walk away from the settlement with the money he received and not have any future problems, but the Church parties would still be left with the prior declarations and other statements provided by Armstrong to parties hostile to the Church. There was no way to know when and where his prior statements might surface in the future. The Church parties

therefore needed to be able to use the information they had regarding Armstrong, to be able to rebut Armstrong's earlier statements. For that reason, no non-disclosure obligation of the Church parties with respect to Armstrong was included in the agreement.

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I declare under penalty of perjury that the foregoing is true and correct.

Executed at Beverly Hills, California, this ____ day of January 1992.